

REMARKS/ARGUMENTS

Please reconsider the application in view of the above amendments and the following remarks. Claims 1 to 13 remain in the pending application.

Information Disclosure Statement

Applicant encloses a further copy of the information disclosure statement including copies of each cited foreign document and non-patent literature.

Claim objections

Rejection under 35 U.S.C § 103(a)

Claims 1, 2, 6, 8-11 13 stand rejected under 35 U.S.C. § 102 as being unpatentable over Karlsson et al. (US 5,148,875). This rejection is respectfully traversed.

The claims at issue each recite limitations not taught by any of the references of record. Karlsson fails to disclose, the limitation in the pending claims namely: “a rotary steerable system disposed inside the casing string”

The examiner states that Karlsson provides a rotary steerable system in the form of the eccentric stabilizers 60, 62 in combination with the ball joint 56. Stabilizers by their nature and design bear against the formation and thus are not: “disposed inside the casing string” as per the current claims. The embodiments of the invention illustrated and described in Karlsson all take a form having the eccentric stabilizers bearing against the formation and therefore being disposed outside rather than inside the casing save for Figure 5A which shows the apparatus in transition. In the case of Figure 5A referred to by the examiner the stabilizer 60 and the ball joint 56 are shown at the downhole end of the casing and the additional required stabilizer 62 is shown in a position not disposed within the casing but outside the casing and bearing on the formation.

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Applicant therefore submits that Karlsson does not teach the combination of elements, that is, including that requirement that the Rotary Steerable System is disposed inside the casing.

With respect to the objection to claims 2, 6, 8 and 9, these claims are dependent on claim 1 and as argued above Applicant submits that claim 1 is not anticipated by Karlsson under 35 U.S.C. § 102 therefore claims 2, 6, 8 and 9 are not anticipated either.

For at least these reasons, Applicant submits that the invention as claimed is not anticipated under 35 U.S.C. § 102. Applicant, therefore, respectfully requests withdrawal of the rejection of Claims 1, 2, 6, 8-11 13.

We thank the examiner for his acknowledgement that claims 3-5, 7 and 12 would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. However, we respectfully submit that such amendment is not required in the light of the remarks presented above in relation to Claims 1, 2, 6, 8-11 13.

Applicant respectfully requests that a timely Notice of Allowance be issued in this case. Applicant believes this reply to be fully responsive to all outstanding issues and place this application in condition for allowance. If this belief is incorrect, or other issues arise, do not hesitate to contact the undersigned at the telephone number listed below.

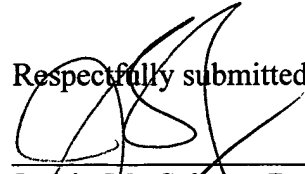
This paper is submitted in response to the Office Action dated June 6th 2005 for which the three-month date for response is August 6th, 2005. Applicant submits herewith a petition to revive under 37 CFR 1.137. Please apply any charges not covered, or any credits, to Deposit Account 50-2898 (Reference Number 19.0353).

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Date: _____

2/27/06

Respectfully submitted,



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 Petition to Revive